



MISSOURI MANUFACTURED HOUSING ASSOCIATION

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Through out my rather lengthy career in the manufactured housing industry it has consistently held true that ninety-five percent (95%) of retailers and manufacturers follow the rules and do an outstanding job. Since 2005 when Missouri began licensing installers the same has held true. This means a handful of installers; retailers or manufacturers contribute the bulk of consumer complaints. Up to the period of 2010-2012 consumer complaints were the trigger for an inspection by the Missouri Public Service Commission. As the number of active retailers declined, so did the number of shipments and the number of consumer complaints. According to the State Auditor's Report during the period of July 2012 through June 2014 there were 597 routine site inspections conducted and from July 2013 through March 2015 there were 72 consumer complaint inspections performed. This computes to 60 routine site Inspections per inspector per year and 7-8 consumer complaints.

I don't agree with some conclusions in the Missouri State Auditor's Report. "Although the program is authorized to take enforcement actions, the program last filed a manufactured housing formal complaint with the PSC in March 2011 and the PSC has not sanctioned the certificate of registration of any manufacturer or dealer, or the license of any installer, since December 2011." Is our barometer of success measured by how many people we've fined and sanctioned lately or that our installers, dealers and manufacturers are doing a great job and providing a quality product to the consumer?

The Missouri Manufactured Housing Association and our members have always supported fair, swift, clear and accurate enforcement of the federal standards. The following are some highlights of the proposed rules which the industry takes issue and seeks commission consideration. These are in addition to the items already noted during the workshop on January 29, 2016.

4 CSR 240-120.085 Re-inspection (1)

"The manager may conduct [as needed] re-inspections of new manufactured homes to verify corrections have been made as identified during the original inspection or where required corrections have not been completed within sixty (60) days of receipt of a written complaint from the consumer."

Routine site inspections aren't triggered by a consumer complaint but rather a property locator and in most cases the installation is incomplete when the initial routine inspection occurs.

Writing an unsolicited inspection report on a job that's not done and then providing a copy of the report to the purchaser, gives the homeowner the sense there's something wrong with their home. I'm not aware of a single homebuilder who wouldn't protest this action by a local building inspector.

PSC staff has confirmed that under the rule changes, the commission will assess a re-inspection fee to the dealer, installer, or the manufacturer even if it is found during the re-inspection that there is neither any material defect, nor material violation of Chapter 700, nor any material violation of Part 3280 of the Manufactured Home Construction and Safety Standards Code. This will have the greatest impact on dealers, installers and manufacturers; and ultimately the consumers. Under the proposed rules, the PSC inspector has total discretion on the initial site inspections and all subsequent re-inspections. The stated intent is, "each time an inspector visits a job site after the initial inspection regardless of findings its considered a re-inspection and there will be a two hundred dollar (\$200) fee."

4 CSR 240-120.065 Manufactured Home Dealer Setup Responsibilities:

A dealer who sells a new manufactured home shall arrange for the proper initial setup of the manufactured home unless the dealer obtains from the purchaser or the purchaser's authorized agent a written waiver of that service as described in section 700.100.3(6), RSmO. To what limit do the waivers apply? What does "of that service" mean? It has been argued for 30 years that dealers or more recently installers be allowed to secure a written waiver with the purchaser for items such as electrical, plumbing and site improvements on real property of the purchaser. Most insurance companies deny coverage to an insured dealer or installer if the insured performs work for which they are not licensed. Repeatedly we've been told it's all or nothing. Total waiver or no waiver at all. I suggest it's in the best interest of the consumer to contract with a local licensed electrician and plumber with the dealer and installer maintaining proper file documentation.

4 CSR 240-123.040 Approval of Manufacturing Programs (11) (A)

A nonrefundable fee of one hundred twenty-five dollars (\$125) shall accompany each request for approval of a modular unit plan. This is a 67% increase from the previous fee of seventy-five (\$75) and applies to every modular floor plan. It will be an additional cost to the consumer.

4 CSR 240-126.020 Consumer Recovery Fund (4)

It's being suggesting to remove any time requirement for the advisory committee to present its finding to the commission. It's presently 60 days and I would suggest it should be not longer than 120 days.

Respectfully,

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